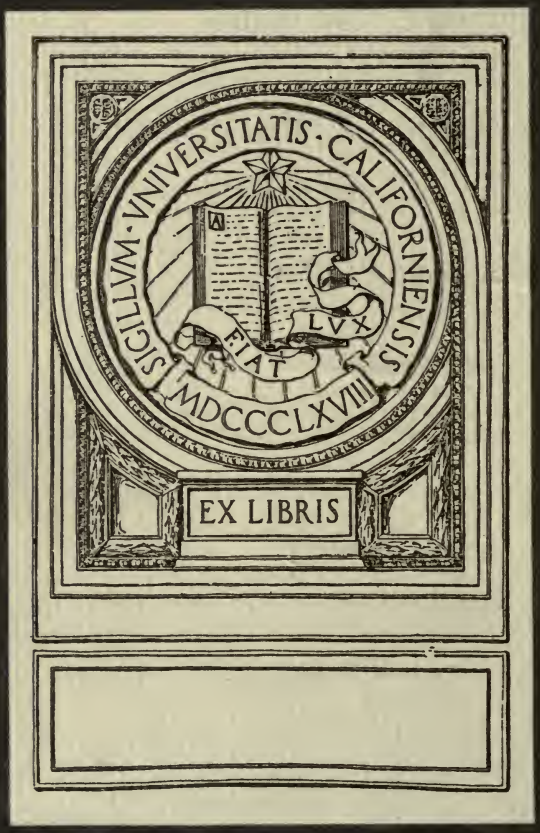
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Preliminary Report

TO

Stockholders

OF

UNITED STATES STEEL CORPORATION.

TO BE SUBMITTED AT THE FIRST ANNUAL MEETING,
17TH FEBRUARY, 1902.

Contents were taken out in
Preliminary report now
in library

following Prelim. rept not included
in HD9519 T643

UNITED STATES STEEL CORPORATION.

Directors.

J. PIERPONT MORGAN, JOHN D. ROCKEFELLER, HENRY H. ROGERS, CHARLES M. SCHWAB, ELBERT H. GARY, GEORGE W. PERKINS, EDMUND C. CONVERSE, PERCIVAL ROBERTS, Jr.,	Class **3.** For three years ending **1904.**
FRANCIS H. PEABODY, CHARLES STEELE, WILLIAM H. MOORE, NORMAN B. REAM, PETER A. B. WIDENER, JAMES H. REED, HENRY C. FRICK, WILLIAM EDENBORN,	Class **2.** For two years ending **1903.**
MARSHALL FIELD, DANIEL G. REID, JOHN D. ROCKEFELLER, Jr., ALFRED CLIFFORD, WILLIAM E. DODGE, NATHANIEL THAYER, ABRAM S. HEWITT, CLEMENT A. GRISCOM,	* Class **1.** For one year ending **17** Feby., **1902.**

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* The successors to the eight directors of Class **1** will be elected at the first annual meeting **17**th February, **1902.**

EXECUTIVE COMMITTEE.

ELBERT H. GARY, Chairman.
DANIEL G. REID.
WILLIAM EDENBORN.
EDMUND C. CONVERSE.
PERCIVAL ROBERTS, JR.
CHARLES STEELE.
CHARLES M. SCHWAB, *Ex-officio.*
GEORGE W. PERKINS, *Ex-officio.*

FINANCE COMMITTEE.

GEORGE W. PERKINS, Chairman.
HENRY H. ROGERS.
NORMAN B. REAM.
P. A. B. WIDENER.
CHARLES M. SCHWAB, *Ex-officio.*
ELBERT H. GARY, *Ex-officio.*

PRESIDENT,

CHARLES M. SCHWAB.

FIRST VICE-PRESIDENT,

JAMES GAYLEY.

GENERAL COUNSEL,

FRANCIS LYNDE STETSON.

TREASURER AND SECRETARY,

RICHARD TRIMBLE.

COMPTROLLER,

EDWARD SHEARSON.

TRANSFER AGENT,

HUDSON TRUST COMPANY,
51 Newark Street, Hoboken, N. J.
71 Broadway, New York City.

PRELIMINARY REPORT

TO STOCKHOLDERS

OF

UNITED STATES STEEL CORPORATION.

Office of the United States Steel Corporation,
51 Newark Street, Hoboken, New Jersey.

JANUARY 10, 1902.

To the Stockholders of the United States Steel Corporation:

The business of the United States Steel Corporation for all practical purposes began April 1, 1901, from which date interest on the bonds and dividends on its preferred stock began to accrue. The Board of Directors has determined that the fiscal year, instead of running from April to April, shall correspond with the calendar year, and, in order to give sufficient time for preparation of annual reports to stockholders, the by-laws have been amended so as to provide that future annual meetings shall be held in April.

Under the provisions of the original by-laws, the first annual meeting must be held February 17th, 1902, and the Board of Directors deems it best to submit to the stockholders at that meeting a preliminary report which, as far as practicable, shall exhibit the operations of the Corporation for the nine months of the calendar year ending December 31, 1901.

Eight directors whose terms are about to expire being those of the first of the three classes, viz.: Marshall Field, Daniel G. Reid, John D. Rockefeller, Jr., Alfred Clifford, William E. Dodge, Nathaniel Thayer, Abram S. Hewitt and Clement A. Griscom, will be candidates for re-election at the annual meeting on February 17th, 1902.

This preliminary report covers only the first nine months of the Corporation's existence, a period too brief to satisfactorily organize and systematize the business, and necessarily it lacks the fullness and definiteness of information which it is hoped will characterize future annual reports.

But the management feels fully justified in stating that much that at the time of organization was hoped to be accomplished in the way of avoiding wasteful expenditures for unnecessary enlargement of plants by various prominent steel companies, and of establishing harmonious co-operation among them has been successfully achieved. The several companies have effected many economies which have been attended with most satisfactory results, and the outlook for further improvement in this direction is most gratifying.

The business of the Companies has been put on practically a cash basis. The losses actually incurred through bad debts have been very small, and little, if any, loss in the collection of accounts and notes receivable is anticipated. About seventy per cent. of the total current monthly accounts due from customers is now being generally collected within thirty days, and it is the effort of the several managements to maintain the businesses on a strictly cash basis.

The results of operations for the nine months are as follows:

NET EARNINGS

Of all companies from operations for nine months ending December 31, 1901, viz.:

April	$7,356,744	
May	9,612,349	
June	9,394,747	
July	9,580,151	
August	9,810,880	
September	9,272,812	
October	12,205,774	
November	9,795,841	
* December (estimated)	7,750,000	
Total		$84,779,298
Less amounts set aside for the following purposes, viz.:		
Sinking Funds on U. S. Steel Corporation bonds and bonds of subsidiary companies	2,263,292	
Reserve Funds	9,695,702	
		11,958,994
Balance		$72,820,304
Nine months' interest on bonds		11,400,000
Balance		$61,420,304
Nine months' dividends on stocks, viz.:		
United States Steel Corporation:		
Preferred, 5¼% (7% annually)	$26,752,894	
Common, 3% (4% annually)	15,227,812	
Total	$41,980,706	
Outstanding stocks of subsidiary companies	25,101	
		42,005,807
Balance for nine months, applicable to additions to surplus, new construction, etc.		$19,414,497

* During the close of lake navigation, from December to April inclusive, the earnings of mining and transportation companies are, of course, diminished.

From the foregoing statement, it will be seen that the net results from operations of the several companies for the first nine months (December being estimated) are as follows:

After charging to operating expenses, month by month, all current renewals and ordinary repairs for maintenance of plants, the net earnings of the several Companies amounted to almost $85,000,000.

From this sum over $2,250,000 was set aside in a Sinking Fund to retire bonds of the Corporation and its subsidiary companies; $11,400,000 was paid for nine months' interest on the Corporation's bonds; dividends on the preferred stock at the rate of 7% per annum were paid, amounting to $26,750,000, and dividends on the common stock at the rate of 4% per annum were paid, amounting to $15,227,000, making a total of over $53,000,000 paid out for interest and dividends on the bonds and stock of your Corporation during this period.

Nearly $10,000,000 was set aside in various reserve funds to cover exhaustion of the ore properties, general depreciation of machinery and plants, and to provide for extraordinary enlargements. after all of which there remained as the result of the above nine months' operations undivided earnings of over $19,000,000.

A satisfactory Profit and Loss statement showing in detail the earnings and expenses of the several companies cannot be given until their accounting systems are uniform, so that one consolidated Profit and Loss statement of all companies can be made. The foregoing statement, however, gives a substantially accurate account of the results of the business for the first nine months, except that the earnings for the month of December are estimated.

BALANCE SHEET.

The date of this report renders it impracticable to give a complete balance sheet as of December 31st, 1901, and consequently a balance sheet showing the condition of the Companies at *November 30th, 1901*, is submitted. It exhibits the assets and liabilities represented by the capital stocks of the Corporation and by outstanding stocks of subsidiary companies except that, for simplicity, it omits indebtedness from one company to another, as such sums though assets of one company are liabilities of some other company.

CONDENSED GENERAL
November

ASSETS.

PROPERTY ACCOUNT—Cost of properties owned and operated by the several companies			**$1,437,494,862 53**
DEFERRED CHARGES TO PROFIT AND LOSS—Expenditures for Improvements, Explorations, Stripping and Development at Mines, and for advanced Mining Royalties, which are to be charged to Future Operations of the Properties			**3,256,774 09**
INVESTMENTS :			
Outside Real Estate and other property			**429,613 25**
CURRENT ASSETS :			
Inventories		95,603,997 57	
Stocks, Bonds and Securities of Outside Companies		7,251,329 45	
Accounts Receivable	$45,269,453 19		
Bills Receivable	2,821,463 55		
		$48,090,916 74	
Cash		55,315,527 99	
		103,406,444 73	
			206,261,771 75
			$1,647,443,021 62

E. & O. E.

E. SHEARSON,
Comptroller.

BALANCE SHEET
30, 1901.

LIABILITIES.

CAPITAL STOCK OF U. S. STEEL CORPORATION:		
Common	$508,212,543 70	
Preferred	510,173,778 40	
		$1,018,386,322 10
CAPITAL STOCKS OF SUBSIDIARY COMPANIES NOT HELD BY U. S. S. CORP. (PAR VALUE.):		
Common Stocks	365,436 38	
Preferred Stocks	293,300 00	
Lake Superior Consolidated Mines Sub. Companies	113,189 43	
		771,925 81
BONDED AND DEBENTURE DEBT:		
United States Steel Corporation Bonds	303,450,000 00	
Funded Debt of Sub. Companies held by the Public	59,349,838 85	
Debenture Scrip	41,844 57	
		362,841,683 42
MORTGAGES AND PURCHASE-MONEY OBLIGATIONS (SUBSIDIARY COMPANIES):		
Mortgages	3,457,037 55	
Purchase-Money Obligations	15,610,754 03	
		19,067,791 58
CURRENT LIABILITIES:		
Pay-rolls and Accounts Payable	22,228,343 60	
Bills and Loans Payable (Subsidiary Companies)	12,653 744 27	
Special Deposits due employees and others	5,435,342 15	
Accrued Interest and Unpresented Coupons	4,870,410 16	
Common Dividend No. 2, payable Dec. 20, 1901	5,081,790 00	
		50,269,630 18
CONTINGENT LIABILITY:		
Payment contingent upon retention of leases		**525,398 67**
SINKING FUNDS AND RESERVES FOR DEPRECIATION		**21,236,040 54**
SURPLUS OF U. S. STEEL CORPORATION AND SUBSIDIARY COMPANIES		**174,344,229 32**
		$1,647,443,021 62

Inventories.

The inventories represent raw material, goods manufactured and in process of manufacture, and manufactured goods in transit, on consignment or at selling departments. A large part of the inventories on November 30th is made up of the necessary accumulation during the Summer and Fall of extensive tonnages of iron ore for conversion during the Winter and Spring, when, owing to the close of navigation mining and shipping are diminished.

The amount of finished product on hand is largely due to inability to obtain freight cars for deliveries to customers.

The inventories are taken on the basis of the actual cost of the materials including labor at the several departments of the companies holding the same, and this cost is below the average current market price of such commodities.

The following is a general classification of the inventories on November 30th:

Ores	$34,776,053
Pig Iron, Scrap, Spiegel and Ferro	4,752,750
Coal, Coke and other Fuel	1,160,361
Pig Tin, Lead, Copper Spelter, Nickel, etc.	2,087,531
Manufacturing Supplies and Miscellaneous Stores otherwise unclassified	12,170,161
Ingots, Blooms, Billets, Sheet and Tin Bars, Skelp, Rods, Muck Bar, etc.	9,343,894
Finished Products	15,322,636
Mining Supplies and Stores	1,170,859
Railroad Supplies and Stores	851,645
Materials, labor and expense locked up in current uncompleted bridge contracts	9,268,361
Materials in transit and on consignment	4,699,746
Total	$95,603,997

Sinking Funds and Reserves for Depreciation.

The item of $21,236,040.54 for SinkingFunds and Reserves for Depreciation in the balance sheet is made up as follows:

Sinking fund on U. S. Steel Corp. bonds	$1,520,000 00
Sinking funds on bonds of Sub. Cos.	1,264,197 50
Reserved for general depreciation, including that of the ore, coal and coke properties, and for extraordinary outlays which may be required for unusual expenses, for improvements and for renewals	18,451,843 04
Total	$21,236,040 54

Supplementing the information communicated by the amended Certificate of Incorporation and the amended By-Laws, copies of which are annexed, the following general statement as to the organization of the Corporation is submitted:

Organization and the Issue of Stocks and Bonds.

The United States Steel Corporation was incorporated under the laws of the State of New Jersey, the original certificate of incorporation having been filed at Trenton, February 25, 1901, and the amended certificate, April 1, 1901. By the amended certificate, the authorized capital stock of the Corporation was fixed at 11,000,000 shares of the par value of $100 each, equally divided into 5,500,000 shares of seven per cent. cumulative preferred stock (preferred as to both dividends and capital), and 5,500,000 shares of common stock.

Of the total authorized capital stock, there have been issued, and at this date (January 10, 1902) are outstanding 5,102,056 shares of preferred stock, and 5,082,273 shares of common stock. The Corporation also has issued $303,450,000

of five per cent. bonds secured by a Trust Indenture, dated April 1, 1901, to the United States Trust Company of New York as Trustee.

Substantially all of these bonds and shares have been issued to acquire the bonds and stocks of the subsidiary companies which were held by the public, as well as considerable amounts thereof, which belonged to members of the Syndicate and to the Syndicate Managers, viz.: (1) the bonds and stock of the Carnegie Company and the capital stocks of the several other companies under the original agreement of March 1, 1901, with J. P. Morgan & Co., Managers of a Syndicate which includes among its members and participants officers and directors of this Corporation; (2) the stocks of the American Bridge Company and the Lake Superior Consolidated Iron Mines under the agreement of April 1, 1901, with J. P. Morgan & Co.; (3) the stocks of the Oliver Iron Mining Company and of the Pittsburg Steamship Company; and (4) the stocks of the Shelby Steel Tube Company, for which a contract was negotiated in June, 1901, with representatives of the stockholders of that company.

Details of Issue of Stocks and Bonds.

(1) 4,247,688 shares of the common stock and 4,249,716 shares of the preferred stock and $303,450,000 face value of bonds of the Corporation were issued in payment for the $25,000,000 in cash, paid to the Corporation by the Syndicate Managers, and for the stocks and bonds set forth in the following table, excepting 1,644 shares otherwise acquired, and directors' qualifying shares, viz.:

Federal Steel Company	Common Stock	$46,483,700
	Preferred Stock	53,260,200
National Steel Company	Common	31,970,000
	Preferred	26,996,000
National Tube Company	Common	40,000,000
	Preferred	40,000,000
American Steel and Wire Company of New Jersey	Common	49,981,400
	Preferred	39,999,000
American Tin Plate Company	Common	28,000,000
	Preferred	18,325,000
American Steel Hoop Company	Common	19,000,000
	Preferred	14,000,000
American Sheet Steel Company	Common	24,499,600
	Preferred	24,499,600
Carnegie Company	Common Stock	160,000,000
	Bonds	159,450,000

(2) 722,025 shares of common stock, and 741,915 shares of preferred stock of the Corporation were issued for the acquisition of $29,413,905 par value of stock of the Lake Superior Consolidated Iron Mines and $30,946,400 of common stock and $31,348,000 of preferred stock par values of the American Bridge Company;

(3) 92,500 shares each of common and preferred stock of the Corporation were issued for the acquisition of an outstanding one-sixth interest in the Oliver Iron Mining Company and in the Pittsburgh Steamship Company, thus securing the ownership of all of the stock of those two companies not owned by the Carnegie Company except directors' qualifying shares; and

(4) 20,045 shares of common stock and 17,910 shares of preferred stock of the Corporation were issued for the acquisition of $8,018,200 of common stock and $4,776,100 shares of preferred stock, par values, of the Shelby Steel Tube Company under the contract above mentioned.

The Aragon Iron Mines leasehold and the stock of the Bessemer Steamship Company have been purchased for cash paid and payable by this Corporation or by some of the subsidiary companies above mentioned.

All of the bonds of the Carnegie Company and all of the stocks of the companies acquired as above mentioned by the United States Steel Corporation, have been lodged with the United States Trust Company, as Trustee, for the benefit of the Corporation and its stockholders, and to secure the payment of the $304,000,000 bonds of the Corporation authorized by the deed of trust of April 1, 1901. This deposit affords security to stockholders as well as bondholders against diversion or depletion of these important assets of the corporation.

Circulars, dated March 2, and April 2, and 8, 1901, addressed to the holders of shares of the several companies therein specified were issued and published by the Syndicate Managers. At the rates offered in the circular dated March 2, 1901, the Syndicate acquired the common stocks and preferred stocks of the seven companies (other than the Carnegie Company) as above mentioned (see p. 15), and thereupon sold and transferred the same to this Corporation under the contract of March 1, 1901. The Syndicate delivered to the holders of such stocks of said seven companies in the aggregate 2,694,909 shares of common stock and 2,616,957 shares of preferred stock of this Corporation. The Syndicate acquired sixty per cent. ($96,000,000) of the stock of the Carnegie Company, and $159,450,000 face value of the five per cent. bonds of the Carnegie Company by delivering to the holders thereof said $303,450,000 of bonds of this Corporation and $1,200,000 in cash; and the Syndicate acquired the remaining forty per cent. ($64,000,000) of the stock of the Carnegie Company by delivering to the holders thereof 982,771 shares of preferred stock and 902,790 shares of the common stock of this Corporation.

The residue of the common and preferred stock of this Corporation delivered to the Syndicate under the contract of March 1, 1901, and not used for the acquisition by it of the stocks of the specified companies, being the shares which, as stated in the Syndicate

circular of March 2, 1901, were to be retained by and to belong to the Syndicate, amounted to 649,987 shares of preferred stock, and 649,988 shares of common stock. This residue of stock or the proceeds thereof, after reimbursing the Syndicate the $25,000,000 in cash which it paid to the Corporation, and approximately $3,000,000 for other syndicate obligations and expenses, constituted surplus or profit of the Syndicate.

The transactions between this Corporation and the Syndicate having been concluded, an agreement of final settlement and mutual release, dated January 3, 1902, was executed between this Corporation and the Syndicate Managers.

It will be noted that this Corporation has received and now owns in the aggregate more than ninety-nine and three-fourths per cent. of the shares of all the specified companies. The acquisition of so large a proportion of the shares has enabled the Corporation promptly to enter upon the accomplishment of the principal objects which induced its formation, and has facilitated the fulfilment of the original expectations of large reductions in expenditures for improvements, of increased earnings applicable to dividends, and of greater stability of investment, without increasing the prices of manufactured products.

Lease of Pocahontas Coal Lands.

Subsidiary companies of the Corporation have secured a lease of fifty thousand acres of the best Pocahontas coking and fuel coal property, on a royalty basis, and on favorable terms for production and transportation. Plans for the prompt development of this property on a large scale are under consideration, and it is expected that in the near future there will be received from this field a large supply of coke and fuel coal. With this acquisition, it is estimated that there is now controlled by subsidiary companies a sufficient quantity of the best and cheapest coking coal to pro-

vide, on the basis of present consumption, for the necessities of all the furnaces of these companies during the next sixty years. The Corporation has guaranteed the performance of this lease on the part of the lessees.

General Results in Organization and Manufacturing.

It was expected that by harmonious co-operation of the several companies great economies in manufacturing would be accomplished, and such expectations have been fully realized. Diversified management has been dispensed with as far as possible, and the several companies have endeavored to adopt similar methods as far as suited to their respective businesses. Great departments like Ore Mining, Coal Mining, Manufacture of Coke and Lake Transportation, have been thoroughly systematized, and the managements of the manufacturing plants in the same locality have been brought into closer relations.

The companies have endeavored to concentrate the manufacture of their various products at the point most favorable to their production, thus insuring to each ultimate economy in manufacturing costs and in the assembling of material. The effort also is made by the different companies to regulate their manufacture of various products so that the fullest advantage can be taken of the economical production of any special article and its cheapest distribution to the consumer.

While each of the above schemes of organization has effected great economies, yet in no direction has this result been more pronounced than in that of manufacturing itself. By frequent interchange of views and full information as to the results in the several companies, each is enabled to reap the advantage of any new economy practiced or discovered by any of the others, so that each company has the advantage of the combined experience of all. Methods of accounting are being made uniform as rapidly as possible so that comparisons may readily be made. In this way, the

best result attained by any of the companies is taken as the standard and the other companies endeavor to conform thereto.

Economies in manufacturing thus far have been quite remarkable, but the end is not nearly reached, nor is it likely soon to be, for through the continuous efforts to co-operate and aid in bringing about the best results at each plant, it is certain that even more favorable results ultimately will be accomplished.

The Business Outlook.

The outlook for the year 1902 is very bright. Everything indicates that all of the facilities of each subsidiary company will be taxed to their utmost to supply the demand that is being made. The actual business now booked, and of which shipment is being called for faster than it can be supplied, amounts to more than half the total combined annual capacity of all the companies. The heavier products, like rails, billets, plates and structural material are sold up to the productive capacity of the Mills, until nearly the end of the year. In the more highly finished products, the consumption in each case is greater now than at the corresponding period in 1901, which, it should be remembered, was an abnormally heavy year. The expectation, therefore, of those closely connected with the manufacture and sale of these highly finished products, is for a demand even larger than that of 1901, and up to the limit of production.

Policy as to Prices.

The demand for the products of the several companies has been so great that prices could easily have been advanced. Indeed, higher prices have been voluntarily offered by consumers who were anxious for immediate execution of orders, but the companies have firmly maintained

the position of not advancing prices, believing that the existing prices were sufficient to yield a fair return on capital and maintain the properties in satisfactory physical condition, and that the many collateral advantages to be gained in the long run by refusing to advance prices would be of substantial and lasting value, not only to the companies, but also to the general business interests of the country.

The strong position thus taken by the companies for stability in prices both of raw material and finished products, has had a reassuring effect on the trade, and has contributed greatly toward restoring confidence in the general business situation and creating the present large demand for steel products, by dispelling any doubt as to prices in the future.

The Board takes pleasure in acknowledging the loyal and efficient services of the officers and employés of the Corporation.

By order of the Board of Directors,

ELBERT H. GARY, Chairman Executive Committee.

CHARLES M. SCHWAB, President.

AMENDED CERTIFICATE OF INCORPORATION

OF

UNITED STATES STEEL CORPORATION.

We, the undersigned, in order to form a corporation for the purposes hereinafter stated, under and pursuant to the provisions of the Act of the Legislature of the State of New Jersey, entitled "An Act concerning corporations (Revision of 1896)," and the acts amendatory thereof and supplemental thereto, do hereby certify as follows:

I. The name of the corporation is

United States Steel Corporation.

II. The location of its principal office in the State of New Jersey is at No. 51 Newark Street, in the City of Hoboken, County of Hudson. The name of the agent therein and in charge thereof, upon whom process against the corporation may be served, is Hudson Trust Company. Said office is to be the registered office of said corporation.

III. The objects for which the corporation is formed are:

To manufacture iron, steel, manganese, coke, copper, lumber and other materials, and all or any articles consisting, or partly consisting, of iron, steel, copper, wood or other materials, and all or any products thereof.

To acquire, own, lease, occupy, use or develop any lands containing coal or iron, manganese, stone or other ores, or oil, and any wood lands, or other lands for any purpose of the Company.

To mine, or otherwise to extract or remove coal, ores, stone and other minerals and timber from any lands owned, acquired, leased or occupied by the Company, or from any other lands.

To buy and sell, or otherwise to deal or to traffic in, iron, steel, manganese, copper, stone, ores, coal, coke, wood, lumber and other materials, and any of the products thereof, and any articles consisting, or partly consisting thereof.

To construct bridges, buildings, machinery, ships, boats, engines, cars and other equipment, railroads, docks, slips, elevators, water works, gas works and electric works, viaducts, aqueducts, canals and other waterways, and any other means of transportation, and to sell the same, or otherwise to dispose thereof, or to maintain and operate the same, except that the Company shall not maintain or operate any railroad or canal in the State of New Jersey.

To apply for, obtain, register, purchase, lease, or otherwise to acquire, and to hold, use, own, operate and introduce, and to sell, assign, or otherwise to dispose of, any trade marks, trade names, patents, inventions, improvements and processes used in connection with, or secured under letters patent of the United States, or elsewhere, or otherwise ; and to use, exercise, develop, grant licenses in respect of, or otherwise to turn to account any such trade-marks, patents, licenses, processes, and the like, or any such property or rights.

To engage in any other manufacturing, mining, construction or transportation business of any kind or character whatsoever, and to that end to acquire, hold, own and dispose of any and all property, assets, stocks, bonds and rights of any and every kind : but not to engage in any business hereunder which shall require the exercise of the right of eminent domain within the State of New Jersey.

To acquire by purchase, subscription or otherwise, and to hold or to dispose of, stocks, bonds or any other obligations of any corporation formed for or then or theretofore engaged in or pursuing, any one or more of the kinds of business, purposes, objects or operations above indicated, or owning or holding any property of any kind herein mentioned ; or of any corporation owning or holding the stocks or the obligations of any such corporation.

To hold for investment, or otherwise to use, sell or dispose of, any stock, bonds or other obligations of any such other corporation ; to aid in any manner any corporation whose stock, bonds or other obligations are held or are in any manner guaranteed by the Company, and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other obligations, or to do any acts or things designed for any such purpose ; and, while owner of any such stock, bonds or other obligations, to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting power thereon.

The business or purpose of the Company is from time to time to do any one or more of the acts and things herein set forth ; and it may conduct its business in other States and in the Territories and foreign countries, and may have one office or more than one office, and keep the books of the Company outside of the State of New Jersey, except as otherwise may be provided by law ; and may hold, purchase, mortgage and convey real and personal property either in or out of the State of New Jersey.

Without in any particular limiting any of the objects and powers of the corporation, it is hereby expressly declared and provided that the corporations shall have power to issue bonds and other obligations, in payment for property purchased or acquired by it, or for any other object in or about its business; to mortgage or pledge any stocks, bonds or other obligations, or any property which may be acquired by it, to secure any bonds or other obligations by it issued or incurred; to guarantee any dividends or bonds or contracts or other obligations; to make and perform contracts of any kind and description; and in carrying on its business, or for the purpose of attaining or furthering any of its objects, to do any and all other acts and things, and to exercise any and all other powers which a copartnership or natural person could do and exercise, and which now or hereafter may be authorized by law

IV. The total authorized capital stock of the corporation is eleven hundred million dollars ($1,100,000,000), divided into eleven million shares of the par value of one hundred dollars each. Of such total authorized capital stock, five million five hundred thousand shares, amounting to five hundred and fifty million dollars, shall be preferred stock, and five million five hundred thousand shares, amounting to five hundred and fifty million dollars, shall be common stock.

From time to time, the preferred stock and the common stock may be increased according to law, and may be issued in such amounts and proportions as shall be determined by the board of directors, and as may be permitted by law.

The holders of the preferred stock shall be entitled to receive when and as declared, from the surplus or net profits of the corporation, yearly dividends at the rate of seven per centum per annum, and no more, payable quarterly on dates to be fixed by the by-laws. The dividends on the preferred stock shall be cumulative, and shall be payable before any dividend on the common stock shall be paid or set apart: so that, if any year dividends amounting to seven per cent. shall not have been paid thereon, the deficiency shall be payable before any dividends shall be paid upon or set apart for the common stock.

Whenever all cumulative dividends on the preferred stock for all previous years shall have been declared and shall have become payable, and the accrued quarterly installments for the current year shall have been declared, and the company shall have paid such cumulative dividends for previous years and such accrued quarterly installments, or shall have set aside from its surplus or net profits a sum sufficient for the payment thereof, the Board of Directors may declare dividends on the common stock, payable then or thereafter, out of any remaining surplus or net profits.

In the event of any liquidation or dissolution or winding up (whether voluntary or involuntary) of the corporation, the holders of the preferred stock shall be entitled to be paid in full both the par amount of their

shares, and the unpaid dividends accrued thereon before any amount shall be paid to the holders of the common stock; and after the payment to the holders of the preferred stock of its par value, and the unpaid accrued dividends thereon, the remaining assets and funds shall be divided and paid to the holders of the common stock according to their respective shares.

V. The names and post-office addresses of the incorporators, and the number of shares of stock for which severally and respectively we do hereby subscribe (the aggregate of our said subscriptions, being three thousand dollars, is the amount of capital stock with which the corporation will commence business), are as follows:

Name.	Post Office Address.	Number of Shares.	
		Preferred Stock.	Common Stock.
Charles C. Cluff.....	51 Newark Street, Hoboken, New Jersey.....	5	5
William J. Curtis..	Ditto.	5	5
Charles MacVeagh.....	Ditto.	5	5

VI. The duration of the corporation shall be perpetual.

VII. The number of directors of the Company shall be fixed from time to time by the by-laws; but the number if fixed at more than three, shall be some multiple of three. The directors shall be classified with respect to the time for which they shall severally hold office by dividing them into three classes, each consisting of one-third of the whole number of the board of directors. The directors of the first class shall be elected for a term of one year; the directors of the second class for a term of two years; and the directors of the third class for a term of three years; and at each annual election the successors to the class of directors whose terms shall expire in that year shall be elected to hold office for the term of three years, so that the term of office of one class of directors shall expire in each year.

The number of the directors may be increased as may be provided in the by-laws. In case of any increase of the number of the directors the additional directors shall be elected as may be provided in the by-laws, by the Directors or by the stockholders at an annual or special meeting,

and one-third of their number shall be elected for the then unexpired portion of the term of the directors of the first class, one-third of their number for the unexpired portion of the term of the directors of the second class, and one-third of their number for the unexpired portion of the term of the directors of the third class, so that each class of directors shall be increased equally.

In case of any vacancy in any class of directors through death, resignation, disqualification or other cause, the remaining directors, by affirmative vote of a majority of the Board of Directors, may elect a successor to hold office for the unexpired portion of the term of the director whose place shall be vacant, and until the election of a successor.

The Board of Directors shall have power to hold their meetings outside of the State of New Jersey at such places as from time to time may be designated by the by-laws or by resolution of the Board. The by-laws may prescribe the number of directors necessary to constitute a quorum of the Board of Directors, which number may be less than a majority of the whole number of the directors.

Unless authorized by votes given in person or by proxy by stockholders holding at least two-thirds of the capital stock of the corporation, which is represented and voted upon in person or by proxy at a meeting specially called for that purpose or at an annual meeting, the Board of Directors shall not mortgage or pledge any of its real property, or any shares of the capital stock of any other corporation; but this prohibition shall not be construed to apply to the execution of any purchase-money mortgage or any other purchase-money lien. As authorized by the Act of the Legislature of the State of New Jersey passed March 22, 1901, amending the 17th section of the Act concerning Corporations (Revision of 1896), any action which theretofore required the consent of the holders of two-thirds of the stock at any meeting after notice to them given, or required their consent in writing to be filed, may be taken upon the consent of, and the consent given and filed by the holders of two-thirds of the stock of each class represented at such meeting in person or by proxy.

Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors. Any other officer or employe of the Company may be removed at any time by vote of the Board of Directors, or by any committee or superior officer upon whom such power of removal may be conferred by the by-laws or by vote of the Board of Directors.

The Board of Directors, by the affirmative vote of a majority of the whole board, may appoint from the directors an executive committee, of which a majority shall constitute a quorum; and to such extent as shall be provided in the by-laws, such committee shall have and may exercise all or any of the powers of the Board of Directors, including power to cause the seal of the corporation to be affixed to all papers that may require it.

The Board of Directors, by the affirmative vote of a majority of the whole board, may appoint any other Standing Committees, and such Standing Committees shall have and may exercise such powers as shall be conferred or authorized by the by-laws.

The Board of Directors may appoint not only other officers of the Company, but also one or more vice-presidents, one or more assistant treasurers and one or more assistant secretaries; and, to the extent provided in the by-laws, the persons so appointed respectively shall have and may exercise all the powers of the president, of the treasurer and of the secretary, respectively.

The Board of Directors shall have power from time to time to fix and to determine and to vary the amount of the working capital of the Company; and to direct and determine the use and disposition of any surplus or net profits over and above the capital stock paid in; and in its discretion the Board of Directors may use and apply any such surplus or accumulated profits in purchasing or acquiring its bonds or other obligations, or shares of its own capital stock, to such extent and in such manner and upon such terms as the Board of Directors shall deem expedient; but shares of such capital stock so purchased or acquired may be resold, unless such shares shall have been retired for the purpose of decreasing the Company's capital stock as provided by law.

The Board of Directors from time to time shall determine whether and to what extent, and at what times and places, and under what conditions and regulations, the accounts and books of the corporation, or any of them, shall be open to the inspection of the Stockholders, and no Stockholder shall have any right to inspect any account or book or document of the corporation, except as conferred by Statute or authorized by the Board of Directors, or by a resolution of the Stockholders.

Subject always to by-laws made by the Stockholders, the Board of Directors may make by-laws, and, from time to time, may alter, amend or repeal any by-laws; but any by-laws made by the Board of Directors may be altered or repealed by the Stockholders at any annual meeting, or at any special meeting, provided notice of such proposed alteration or repeal be included in the notice of the meeting.

In witness whereof, we have hereunto set our hands and seals the 23rd day of February, 1901.

Charles C. Cluff [L. S.]
William J. Curtis [L. S.]
Charles MacVeagh [L. S.]

Signed, sealed and delivered in the presence of

Francis Lynde Stetson
Victor Morawetz.

STATE OF NEW JERSEY, }
County of Hudson, } ss. :

Be it remembered that on this 23rd day of February, 1901, before the undersigned, personally appeared Charles C. Cluff, William J. Curtis and Charles MacVeagh, who, I am satisfied, are the persons named in and who executed the foregoing certificate; and I having first made known to them and to each of them, the contents thereof, they did each acknowledge that they signed, sealed and delivered the same as their voluntary act and deed.

GEO. HOLMES
Master in Chancery of New Jersey.

10ct. Internal Revenue Stamp Cancelled.

ENDORSED "Received in the Hudson Co. N. J. Clerk's Office Feb'y 25th A. D. 1901 and Recorded in Clerks Record No —— on Page ——
MAURICE J. STACK
Clerk"

ENDORSED "Filed Feb. 25, 1901
GEORGE WURTS
Secretary of State."

ENDORSED "Filed April 1, 1901
GEORGE WURTS
Secretary of State."

By-Laws

OF

United States Steel Corporation.

As Amended to January 7, 1902.

BY-LAWS

OF

UNITED STATES STEEL CORPORATION.

As Amended to January 7, 1902.

ARTICLE I.

STOCKHOLDERS.

Section I. *Annual Meeting.* Until the annual meeting of the stockholders to be held in the year 1903, a meeting of the Stockholders of the Company shall be held annually at the principal office of the Company in the State of New Jersey, at twelve o'clock noon on the third Monday in February in each year, if not a legal holiday, and if a legal holiday then on the next succeeding Monday not a legal holiday, for the purpose of electing Directors, and for the transaction of such other business as may be brought before the meeting.

After such meeting of the stockholders to be held in the year 1902, such meeting of the stockholders shall be held annually at said office on the third Monday of April in each year, if not a legal holiday, and if a legal holiday then on the next succeeding Monday not a legal holiday; and the terms of office of the directors of the several classes shall continue until the election of their successors at such meeting as provided in Article II. hereof.

It shall be the duty of the Secretary to cause notice of each annual meeting to be published once in each of the four calendar weeks next preceding the meeting in at least one newspaper in each of the following places: Jersey City, N. J., New York, N. Y., Chicago, Ill., and Pittsburg, Pa. Nevertheless, a failure to publish such notice, or any irregularity in such notice, or in the publication thereof shall not affect the validity of any annual meeting, or of any proceedings at any such meeting.

Section 2. *Special Meetings.* Special meetings of the Stockholders may be held at the principal office of the Company in the State of New Jersey, whenever called in writing, or by vote, by a majority of the Board of Directors.

Notice of each special meeting, indicating briefly the object or objects thereof, shall by the Secretary be published once in each of the four

calendar weeks next preceding the meeting in at least one newspaper in each of the following places: Jersey City, N. J., New York, N. Y., Chicago, Ill., and Pittsburg, Pa. Nevertheless if all the stockholders shall waive notice of a special meeting, no notice of such meeting shall be required; and whenever all the stockholders shall meet in person or by proxy, such meeting shall be valid for all purposes without call or notice, and at such meeting any corporate action may be taken.

SEC. 3. *Quorum.* At any meeting of the stock holders the holders of one-third of all of the shares of the capital stock of the Company, present in person or represented by proxy, shall constitute a quorum of the stockholders for all purposes, unless the representation of a larger number shall be required by law, and, in that case, the representation of the number so required, shall constitute a quorum.

If the holders of the amount of stock necessary to constitute a quorum shall fail to attend in person or by proxy at the time and place fixed by these by-laws for an annual meeting, or fixed by notice as above provided for a special meeting called by the Directors, a majority in interest of the stockholders present in person or by proxy may adjourn, from time to time, without notice other than by announcement at the meeting, until holders of the amount of stock requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

SEC. 4. *Organization.* The President, and in his absence, the Chairman of the Executive Committee, shall call meetings of the stockholders to order, and shall act as Chairman of such meetings. The Board of Directors may appoint any stockholder to act as Chairman of any meeting in the absence of the President and of the Chairman of the Executive Committee.

The Secretary of the Company shall act as Secretary at all meetings of the stockholders; but in the absence of the Secretary at any meeting of the stockholders the presiding officer may appoint any person to act as secretary of the meeting.

SEC. 5. *Voting.* At each meeting of the stockholders every stockholder shall be entitled to vote in person, or by proxy appointed by instrument in writing, subscribed by such stockholder or by his duly authorized attorney, and delivered to the Inspectors at the meeting; and he shall have one vote for each share of stock standing registered in his name at the time of the closing of the Transfer Books for said meeting. The votes for Directors, and, upon demand of any stockholder, the votes upon any question before the meeting, shall be by ballot.

At each meeting of the stockholders a full, true and complete list, in alphabetical order, of all of the stockholders entitled to vote at such

meeting, and indicating the number of shares held by each certified by the Secretary or by the Treasurer, shall be furnished. Only the persons in whose names shares of stock stand on the books of the Company at the time of the closing of the transfer books for such meeting, as evidenced by the list of stockholders so furnished, shall be entitled to vote in person or by proxy on the shares so standing in their names.

Prior to any meeting, but subsequent to the time of closing the transfer books for such meeting, any proxy may submit his powers of attorney to the Secretary, or to the Treasurer for examination. The certificate of the Secretary, or of the Treasurer as to the regularity of such powers of attorney, and as to the number of shares held by the persons who severally and respectively executed such powers of attorney shall be received as *prima facie* evidence of the number of shares represented by the holder of such powers of attorney for the purpose of establishing the presence of a quorum at such meeting, and of organizing the same and for all other purposes.

SEC. 6. *Inspectors.* At each meeting of the stockholders the polls shall be opened and closed; the proxies and ballots shall be received and be taken in charge; and all questions touching the qualification of voters and the validity of proxies, and the acceptance or rejection of votes shall be decided by three Inspectors. Such Inspectors shall be appointed by the Board of Directors before or at the meeting, or, if no such appointment shall have been made, then by the presiding officer at the meeting. If for any reason any of the Inspectors previously appointed shall fail to attend or refuse or be unable to serve, Inspectors in place of any so failing to attend, or refusing or unable to attend, shall be appointed in like manner.

ARTICLE II.

BOARD OF DIRECTORS.

SECTION 1. *Number, classification and term of office:* The business and the property of the Company shall be managed and controlled by the Board of Directors.

As provided in the Certificate of Incorporation, the Directors shall be classified in respect of the time for which they shall severally hold office, by dividing them into three classes, each class consisting of one-third of the whole number of the Board of Directors. The Directors of the first class shall be elected for a term of one year; the Directors of the second class shall be elected for a term of two years; and the Directors of the third class shall be elected for a term of three years. At each annual election, the successors to the Directors of the class whose terms shall expire in that year, shall be elected to hold office for the term of three

years, so that the term of office of one class of Directors shall expire in each year.

The number of Directors shall be twenty-four but the number of Directors may be altered from time to time by the alteration of these by-laws.

In case of any increase of the number of Directors, the additional Directors shall be elected by the Directors then in office; one-third of such additional Directors for the unexpired portion of the term of one year; one-third for the unexpired portion of the term of two years, and one-third for the unexpired portion of the term of three years, so that each class of Directors shall be increased equally.

Every Director shall be a holder of at least one share of the capital stock of the Company. Each Director shall serve for the term for which he shall have been elected, and until his successor shall have been duly chosen.

At all elections of the Directors, the polls shall remain open for at least one hour, unless every registered owner of shares has sooner voted in person or by proxy, or in writing has waived the statutory provision.

SECTION 2. *Vacancies.* In case of any vacancy in the Directors of any class through death, resignation, disqualification or other cause, the remaining Directors, by affirmative vote of a majority thereof, may elect a successor to hold office for the unexpired portion of the term of the Director whose place shall be vacant, and until the election of his successor.

Such vacancy shall be filled upon and after nominations therefor shall have been made by the Finance Committee.

SECTION 3. *Place of Meeting, etc.* The Directors may hold their meetings, and may have an office and keep the books of the Company (except as otherwise may be provided for by law) in such place or places in the State of New Jersey or outside of the State of New Jersey as the Board from time to time may determine.

SECTION 4. *Regular Meetings.* Regular Meetings of the Board of Directors shall be held monthly on the first Tuesday of each month, if not a legal holiday, and, if a legal holiday, then on the next succeeding Tuesday, not a legal holiday. No notice shall be required for any such regular monthly meeting of the Board.

SECTION 5. *Special Meetings.* Special Meetings of the Board of Directors shall be held whenever called by direction of the President, or of one-third of the Directors for the time being in office.

The Secretary shall give notice of each special meeting by mailing the same at least two days before the meeting or by telegraphing the

same at least one day before the meeting to each Director; but such notice may be waived by any Director. Unless otherwise indicated in the notice thereof any and all business may be transacted at a special meeting. At any meeting at which every Director shall be present, even though without any notice, any business may be transacted.

SECTION 6. *Quorum.* A majority of the Board of Directors shall constitute a quorum for the transaction of business; but, if at any meeting of the Board, there be less than a quorum present, a majority of those present may adjourn the meeting from time to time.

The affirmative vote of at least two-fifths of all the Directors for the time being in office shall be necessary for the passage of any resolution.

SECTION 8. *Order of Business.* At meetings of the Board of Directors business shall be transacted in such order as, from time to time, the Board may determine by resolution.

At all meetings of the Board of Directors, the President, or in his absence the Chairman of the Executive Committee, or in the absence of both of these officers the Chairman of the Finance Committee shall preside.

SECTION 9. *Contracts.* Inasmuch as the directors of this Company are men of large and diversified business interests, and are likely to be connected with other corporations with which from time to time this Company must have business dealings, no contract or other transaction between this Company and any other corporation shall be affected by the fact that directors of this Company are interested in, or are directors or officers of, such other corporation if, at the meeting of the Board, or of the Committee of this Company making, authorizing or confirming such contract or transaction, there shall be present a quorum of directors not so interested; and any director individually may be a party to, or may be interested in, any contract or transaction of this Company, provided that such contract or transaction shall be approved or be ratified by the affirmative vote of at least ten directors not so interested.

The board of directors in its discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders, or at any meeting of the stockholders called for the purpose of considering any such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the capital stock of the Company which is represented in person or by proxy at such meeting (provided that a lawful quorum of stockholders be there represented in person or by proxy) shall be as valid and as binding upon the corporation and upon all the stockholders as though it had been approved or ratified by every stockholder of the corporation.

SECTION 10. *Compensation of Directors.* For his attendance at any meeting of the Board of Directors, or of any Committee of the Board, every Director shall receive an allowance of ten cents for every mile travelled by him for attendance at such meeting, and also the sum of twenty dollars for attendance at each meeting. The same mileage allowance shall be made to any officer who by direction of the Board, or of the President, shall attend any such meeting.

ARTICLE III.

EXECUTIVE COMMITTEE AND FINANCE COMMITTEE.

SECTION 1. The Board of Directors shall elect from the Directors an *Executive Committee* and a *Finance Committee;* and shall designate for each of those Committees a Chairman, who shall continue to be Chairman of the Committee during the pleasure of the Board of Directors.

The Board of Directors shall fill vacancies in the Executive Committee or in the Finance Committee by election from the Directors; and at all times it shall be the duty of the Board of Directors to keep the membership of each of such Committees full, with due regard to the qualifications for such membership indicated in this Article of the By-Laws,

All action by the Executive Committee, or by the Finance Committee shall be reported by the Board of Directors at its meeting next succeeding such action, and shall be subject to revision or alteration by the Board of Directors; *provided* that no rights or acts of third parties shall be affected by any such revision or alteration.

The Executive Committee and the Finance Committee each shall fix its own rules of proceeding, and shall meet where and as provided by such rules, or by resolution of the Board of Directors, but in every case the presence of a majority shall be necessary to constitute a quorum.

In every case the affirmative vote of a majority of all of the members of the Committee shall be necessary to its adoption of any resolution.

The Chairman and each of the members, of the Executive Committee, shall receive such compensation for their services as from time to time shall be fixed by the Finance Committee and be approved by the Board of Directors.

SECTION 2. *The Executive Committee* shall consist of six members besides the President, and the Chairman of the Finance Committee, each of whom, by virtue of his office, shall be a member of the Executive Committee. So far as practicable each of the six elected members of the Executive Committee shall be a person having, or, having had, personal experience in the conduct of one or the other of the branches of manufacture or mining, or of transportation in which the Company is in-

terested ; and, so far as practicable, the six elected members shall be taken equally from the three classes of Directors. Unless otherwise ordered by the Board of Directors each elected member of the Executive Committee shall continue to be a member thereof until the expiration of his term of office as a Director.

During the intervals between the meetings of the Board of Directors, the Executive Committee shall possess, and may exercise, all the powers of the Board of Directors in the management and direction of the manufacturing, mining and transportation operations of the Company, and of all other business and affairs (except the matters hereinafter assigned to the Finance Committee) in such manner as the Executive Committee shall deem best for the interests of the Company, in all cases in which specific directions shall not have been given by the Board of Directors.

During the intervals between the meetings of the Executive Committee the Chairman thereof shall possess, and may exercise, such of the powers vested in the Executive Committee as from time to time may be conferred upon him by resolution of the Board of Directors, or of the Executive Committee.

Section 3. *The Finance Committee* shall consist of four members, besides the President, and the Chairman of the Executive Committee, each of whom, by virtue of his office, shall be a member of the Finance Committee. So far as practicable each of the four elected members of the Finance Committee shall be a person of experience in matters of finance ; and so far as practicable the four elected members shall be taken equally from the three classes of Directors. Unless otherwise ordered by the Board of Directors, each elected member of the Finance Committee shall continue to be a member thereof until the expiration of his term of office as a Director.

The Finance Committee shall have special and general charge and control of all financial affairs of the Company. The General Counsel, the Treasurer, the Comptroller and the Secretary, and their respective offices shall be under the direct control and supervision of the Finance Committee.

During the intervals between the meetings of the Board of Directors, the Finance Committee shall possess, and may exercise, all the powers of the Board of Directors in the management of the financial affairs of the Company, including its purchases of property, and the execution of legal instruments with or without the corporate seal in such manner as said Committee shall deem to be best for the interests of the Company, in all cases in which specific directions shall not have been given by the Board of Directors.

During the intervals between the meetings of the Finance Committee, and subject to its review, the Chairman thereof shall possess, and may exercise any of the powers of the Committee except as from time to time

shall be otherwise provided by resolution of the Board of Directors, or of the Finance Committee, but not of the Executive Committee.

Except as otherwise provided by the By-Laws, or by resolution of the Board of Directors, all salaries and compensations paid or payable by the Company shall be fixed by the Finance Committee.

No Director shall become a salaried employee of the Company except by special vote of the Finance Committee.

ARTICLE IV.

OFFICERS.

SECTION 1. *Officers.* The Executive Officers of the Company shall be a President, a Vice-President, or more than one Vice-President, a General Counsel, a Treasurer, a Secretary and a Comptroller, all of whom shall be elected by the Board of Directors.

The Board of Directors may appoint such other officers as they shall deem necessary, who shall have such authority and shall perform such duties as from time to time may be prescribed by the Board of Directors.

The powers and duties of the Treasurer and Secretary may be exercised and performed by the same person.

In its discretion the Board of Directors by the vote of a majority thereof may leave unfilled for any such period as it may fix by resolution, any office except those of President, Treasurer, Secretary and Comptroller.

All officers and agents shall be subject to removal at any time by the affirmative vote of a majority of the whole Board of Directors. All officers, agents and employes, other than officers appointed by the Board of Directors, shall hold office at the discretion of the Committee or of the officer appointing them.

The Finance Committee shall have power to suspend the General Counsel, the Treasurer, the Secretary or the Comptroller, and to remove any one in the department of the General Counsel, of the Treasurer, of the Secretary or of the Comptroller. The Executive Committee shall have power to remove all officers, agents and employes of the Company, except officers elected or appointed by the Board of Directors, and except officers, agents and employes in the department of the Treasurer of the Secretary, of the General Counsel or of the Comptroller.

SECTION 2. *Powers and duties of the President.* The President shall preside at all meetings of the Stockholders and of the Board of Directors, and by virtue of his office he shall be a member (but not Chairman) of the Executive Committee and of the Finance Committee. Subject to the Executive Committee, he shall have general charge of the business of the

Company, including manufacturing, mining and transportation, may sign and execute all authorized bonds, contracts or other obligations in the name of the Company, and with the Treasurer or an Assistant Treasurer may sign all certificates of the shares in the Capital stock of the Company. He shall do and perform such other duties as from time to time may be assigned to him by the Board of Directors.

SECTION 3. *Vice-Presidents.* The Board of Directors may appoint a Vice-President or more than one Vice-President. Each Vice-President shall have such powers, and shall perform such duties as may be assigned to him by the Board of Directors.

SECTION 4. *The General Counsel.* The General Counsel shall be the chief counsulting officer of the Company in all legal matters, and, subject to the Board of Directors and the Finance Committee, shall have general control of all matters of legal import concerning the Company.

SECTION 5. *Powers and duties of Treasurer.* The Treasurer shall have custody of all the funds and securities of the Company which may have come into his hands; when necessary or proper he shall endorse on behalf of the Company for collection, checks, notes and other obligations and shall deposit the same to the credit of the Company in such bank or banks or depositary as the Board of Directors or the Finance Committee may designate; he shall sign all receipts and vouchers for payments made to the company; jointly with such other officer as may be designated by the Finance Committee he shall sign all checks made by the Company, and shall pay out and dispose of the same under the direction of the Board or of the Finance Committee; he shall sign, with the President, or such other person or persons as may be designated for the purpose by the Board of Directors or the Finance Committee, all bills of exchange and promissory notes of the Company; he may sign, with the President or a Vice-President, all certificates of shares in the Capital Stock; whenever required by the Board of Directors or by the Finance Committee he shall render a statement of his cash account; he shall enter regularly, in books of the Company to be kept by him for the purpose, full and accurate account of all moneys received and paid by him on account of the Company; he shall, at all reasonable times, exhibit his books and accounts to any Director of the Company upon application at the office of the Company during business hours; and he snall perform all acts incident to the position of Treasurer, subject to the control of the Board of Directors or of the Finance Committee. By virtue of his office the Treasurer shall be Assistant Secretary.

He shall give a bond for the faithful discharge of his duties in such sum as the Board of Directors or the Finance Committee may require.

SECTION 6. *Assistant Treasurers.* The Board of Directors or the Finance Committee may appoint an Assistant Treasurer or more than one Assistant Treasurer. Each Assistant Treasurer shall have such powers and shall perform such duties as may be assigned to him by the Board of Directors, or by the Finance Committee.

SECTION 7. *Powers and Duties of Secretary.* The Secretary shall keep the minutes of all meetings of the Board of Directors, and the minutes of all meeting of the stockholders, and also (unless otherwise directed by the Finance Committee) the minutes of all Committees in books provided for that purpose; he shall attend to the giving and serving of all notices of the Company; he may sign with the President in the name of the Company all contracts authorized by the Board of Directors, or by the Finance Committee, and, when so ordered by the Board of Directors or the Finance Committee, he shall affix the seal of the Company thereto; he shall have charge of the Certificate Books, Transfer Books and Stock Ledgers, and such other books and papers as the Board of Directors or the Finance Committee may direct, all of which shall, at all reasonable times, be open to the examination of any Director, upon application at the office of the Company during business hours; and he shall in general perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors, and of the Finance Committee. By virtue of his office the Secretary shall be Assistant Treasurer.

SECTION 8. *Assistant Secretaries.* The Board of Directors or the Finance Committee may appoint one Assistant Secretary or more than one Assistant Secretary. Each Assistant Secretary shall have such powers and shall perform such duties as may be assigned to him by the Board of Directors, or by the Finance Committee.

SECTION 9. *Comptroller.* The Comptroller shall be the principal officer in charge of the accounts of the company; and shall perform such duties as from time to time may be assigned to him by the Board of Directors or the Finance Committee.

SECTION 10. *Voting upon Stocks.* Unless otherwise ordered by the Board of Directors, or by the Finance Committee, the Chairman of the Finance Committee or the Chairman of the Executive Committee shall have full power and authority in behalf of the Company to attend and to act and to vote at any meetings of stockholders of any corporation in which the Company may hold stock, and at any such meeting shall possess and may exercise any and all the rights and powers incident to the ownership of such stock and which, as the owner thereof, the Company might have possessed and exercised if present. The Board of Directors or the Finance Committee, by resolution, from time to time, may confer like powers upon any other person or persons.

ARTICLE V.

CAPITAL STOCK—SEAL.

SECTION 1. *Certificates of Shares.* The certificates for shares of the capital stock of the Company shall be in such form, not inconsistent with the certificate of incorporation as shall be prepared or be approved by the Board of Directors. The certificates shall be signed by the President or a Vice-President, and also by the Treasurer or an Assistant Treasurer.

All Certificates shall be consecutively numbered. The name of the person owning the shares represented thereby, with the number of such shares and the date of issue, shall be entered on the Company's books.

No certificate shall be valid unless it is signed by the President or a Vice-President, and by the Treasurer or an Assistant Treasurer.

All certificates surrendered to the Company shall be canceled, and no new certificate shall be issued until the former certificate for the same number of shares of the same class shall have been surrendered and canceled.

SECTION 2. *Transfer of Shares.* Shares in the Capital Stock of the Company shall be transferred only on the books of the Company by the holder thereof in person, or by his attorney, upon surrender and cancellation of certificates for a like number of shares.

SECTION 3. *Regulations.* The Board of Directors, and the Finance Committee also, shall have power and authority to make all such rules and regulations as respectively they may deem expedient concerning the issue, transfer and registration of certificates for shares of the capital stock of the Company.

The Board of Directors or the Finance Committee may appoint a Transfer Agent and a Registrar of Transfers, and may require all stock certificates to bear the signature of such Transfer Agent and of such Registrar of Transfers.

SECTION 4. *Closing of Transfer Books.* The stock transfer books shall be closed for the meetings of the stockholders, and for the payment of dividends, during such periods as from time to time may be fixed by the Board of Directors or by the Finance Committee, and during such periods no stock shall be transferable.

SECTION 5. *Dividends.* The Board of Directors may declare dividends from the surplus or net profits of the Company over and above the amount which from time to time may be fixed by the Board as to the amount to be reserved as working capital.

The dates for the declaration of dividends upon the Preferred Stock, and upon the Common Stock of the Company shall be the days by these by-laws fixed for the regular monthly meetings of the Board of Directors in the months of April, July, October and January in each year, on which days the Board of Directors, in its discretion, shall declare what, if any, dividends shall be declared upon the Preferred Stock, and the Common Stock, or either of such stocks.

The dividends on the Preferred Stock shall be payable quarterly on the sixth Wednesday next after the several dates of the declaration thereof.

SECTION 6. *Working Capital.* The directors shall not be required in January in each year, after reserving over and above its capital stock paid in as a working capital for said corporation, such sum, if any, as shall have been fixed by the stockholders to declare a dividend among its stockholders of the whole of its accumulated profits exceeding the amount so reserved, and pay the same to such stockholders on demand; but the Board of Directors may fix a sum which may be set aside or reserved, over and above the Company's capital paid in, as a working capital for the Company, and from time to time they may increase diminish and vary the same in their absolute judgment and discretion.

SECTION 7. *Corporate Seal.* The Board of Directors shall provide a suitable seal, containing the name of the Company, which seal shall be in charge of the Secretary, if and when so directed by the Board of Directors or by the Finance Committee. A duplicate of the Seal may be kept and used by the Treasurer or by any Assistant Secretary or Assistant Treasurer.

ARTICLE VI.

AMENDMENTS.

SECTION 1. The Board of Directors shall have power to make, amend and repeal the By-Laws of the Company, by vote of a majority of all of the Directors, at any regular or special meeting of the Board, *provided*, that notice of intention to make, amend or repeal the By-Laws in whole or in part shall have been given at the next preceding meeting; or without any such notice, by a vote of two-thirds of all of the Directors.